UNITED
NATIONS

E

Economic and Social
Council

Distr.
GENERAL

E/1997/101
9 July 1997

Original: ENGLISH

Substantive session of 1997
Geneva, 30 June-25 July 1997
Agenda item 12

IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 50/227

Joint United Nations/Bretton Woods institutions review

Note by the Secretary-General

1. The present is an information note on the background of the joint United Nations/Bretton Woods institutions (BWIs) review as laid down in the relevant General Assembly and Economic and Social Council resolutions, the activities undertaken by the United Nations system to respond to these resolutions, the current status of the joint review and recommendations for future action.

Background

2. The Assembly, by paragraph 86 of Annex I to its resolution 50/227, called for an exploratory review to assess mechanisms, programmes and relationships at the field, headquarters and intergovernmental levels, with a view to identifying areas in which communication, cooperation and coordination could be improved. The review has also been mentioned in Council resolution 1996/43, in which the Council indicated that it looked forward to receiving the report and accompanying recommendations resulting from the exploratory review. The joint exploratory review is currently conducted by the United Nations (led by the United Nations Development Programme (UNDP) Administrator in collaboration with the United Nations departments, funds and programmes), in collaboration with the International Monetary Fund (IMF) and the World Bank.

Actions undertaken

3. On 21 November 1996, the Secretary-General wrote to the Executive Heads of the World Bank and IMF that the report for the Council resulting from the "exploratory review" called for by the Assembly should be future-oriented and should capture the full extent of the close policy and programme cooperation being established between the Bretton Woods institutions and the United Nations in the various areas covered by Assembly resolution 50/227. The Secretary-General proposed that a joint working group between the United Nations and the Bretton Woods institutions be established for this purpose and asked the UNDP Administrator in his then capacity as Special Coordinator, to assist him in coordinating the United Nations contribution to the exercise.

4. Both IMF (12 December 1996) and the World Bank (3 December 1996) responded positively to the Secretary-General's letter and appointed liaison officers that would coordinate the contributions of IMF and the World Bank to the review.

5. Following a series of consultations with IMF and the World Bank, the UNDP Division for Policy Advisory Services at the request of the Administrator, prepared the elements for the terms of reference for the review, outlining the expected outputs and specific points of focus for the review. The elements for the terms of reference were subsequently endorsed by the Senior Officials of the United Nations and proposed to IMF and the World Bank (21 February 1997).

6. The initial response from IMF (28 February 1997) indicated that it had already taken the necessary measures to prepare a report which could, if so desired, be submitted to the Council in July 1997 reviewing the state of the relationship of IMF with the United Nations (see E/1997/78). The IMF paper also suggested ways in which collaboration with the United Nations could be strengthened further. In preparation of this report, IMF circulated a questionnaire to gather further information on the incidence of collaboration at the field level. IMF further indicated that the United Nations and the World Bank were welcome to incorporate IMF report into a joint or single report, as long as IMF was given the opportunity to comment on the final draft.

7. The World Bank (4 April) reiterated its full cooperation in the review endeavour, while expressing the hope that the review could be kept concise and of mutual benefit to United Nations partners. The World Bank suggested that the review be focused on successful examples of collaboration that could be replicated elsewhere. The World Bank further suggested that the review exercise should follow a short and simple route and result in a limited, concise and forward-looking report.

8. Further consultations between the United Nations and the World Bank are planned and it is expected that a joint review will be finalized in time for the report to be submitted to the Council at its substantive session in 1998. It should be noted, however, that the present reform efforts underway at the World Bank, IMF and within individual United Nations agencies and of the

United Nations system as a whole add to the complexity of this exercise. This must be taken into account by all participants.

Available information inputs

Questionnaire on United Nations/Bretton Woods institutions relationships in the field

9. On 22 August 1996, a questionnaire was sent out to United Nations resident coordinators in 115 UNDP country offices to assess their perception of United Nations/BWI relationships at the field level. The response was quick and comprehensive with 104 responses and 101 questionnaires returned. The analysis of the returned questionnaires resulted in the following conclusions:

(a) In general, the relationship between resident coordinators and World Bank and IMF representatives is a good one. However, even in those countries where the relationship is good, resident coordinators would like to be kept informed of BWI activities on a more regular basis;

(b) Although smaller in numbers, some resident coordinators pointed to difficult relationships with the BWI due to lack of information, collaboration, etc. A special effort to improve those relationships is required. Those resident coordinators who do not have local BWI counterparts, expressed the desire that visiting missions should regularly contact the resident coordinator;

(c) The responses reflect a variety of experiences regarding cost-sharing and/or co-financing with the World Bank and IMF. While several resident coordinators cite successful examples, others point to the difficulties due to legislation and procedures. This could be settled by sharing the success stories.

10. These three points can be considered for further examination in the review.

Report of the United Nations Senior Officials working group on strengthening collaboration between the United Nations system and the Bretton Woods institutions

11. In June 1995, the United Nations Senior Officials meeting decided to establish a working group on strengthening collaboration between the United Nations system and the Bretton Woods institutions. The work of the Working Group resulted, in December 1996, in a paper that identified five priority areas to be developed for intensified cooperation with the Bretton Woods institutions:

(a) Collaboration between the United Nations and the World Bank and IMF in countries facing special situations requiring major reconstruction, rehabilitation and re-establishment of normal economic activity;

(b) Exchange of information and data in key areas for policy analysis;

(c) Exchange of information on planned research and policy studies on key development issues with a view to avoiding unnecessary duplication of effort, promoting greater collaboration in areas of common mandates and mutual interest, facilitating greater use of each organization's outputs as potential inputs into the research and studies undertaken by other organizations;

(d) Strengthening country level cooperation and policy coordination, enhancing collaboration and exchange of information in relation to the formulation of Country Strategy Notes, Common Country Assessments, Policy Framework Papers (tri-partite: World Bank, IMF, host country), and Country Assistance Papers (World Bank);

(e) Reporting to respective and relevant intergovernmental bodies of the United Nations and the Bretton Woods institutions.

12. The joint exploratory review would explore how concrete immediate steps can be taken in the above five areas.

World Bank presentation to the Council

13. The World Bank has canvassed each of its relevant vice-presidencies and departments regarding cooperation with the United Nations. This information is being compiled into a database of activities which will be analysed and distilled for presentation to the Council during its July 1997 session. The World Bank will continue to incorporate new information so as to monitor trends and developing patterns over time, and to contribute to the joint review. The World Bank has indicated that the results will be shared with its partners on a continuing basis.

IMF report on Fund-United Nations collaboration

14. As noted above, this report will be made available, as an addendum to this note, to the Council.

Cooperation at the intergovernmental level

15. Over the years, there has been a continuing and active participation of IMF and the World Bank in the meetings of the principal organs of the United Nations in the economic and social fields particularly at the Council and the main Committees of the General Assembly; as well as in subsidiary bodies and expert group meetings. A major innovation was introduced since 1992, with the one day policy dialogue of the Council during its high-level segment with the heads of multilateral financial and trade institutions. In 1996, the Council took steps, inter alia, to ensure better and joint preparation of the policy dialogue. There is also growing cooperation between the United Nations and the Bretton Woods institutions in preparing reports for United Nations intergovernmental bodies in the economic and social area.

16. In contrast to the United Nations, the Bretton Woods institutions have only two key intergovernmental decision-making committees (executive bodies), the Interim Committee of IMF, and the Joint Ministerial Committee of the Board of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries (Development Committee). The view has, however, been

expressed that the United Nations has not had sufficient access to nor adequate participation in meetings of these bodies. There has also been substantive debate at intergovernmental level between these institutions: the United Nations bodies regularly address policy issues related to the work of the Bretton Woods institutions, and the Development Committee in 1995 examined the follow-up to the World Summit for Social Development.

17. The joint exploratory review could draw a balance of the reciprocal participation of the United Nations and the Bretton Woods institutions in each others' meetings, as well as the substantive aspects of their dialogue. It could examine ways of improving the effectiveness of this participation in the context of the relationship agreements between the United Nations and the Bretton Woods institutions.

Recommendations for future action

18. It is proposed that the review be completed in time for a report to be submitted to the Council at its substantive session of 1998. The review should contain a section in which practicable concrete action-oriented proposals will be made which can be implemented quickly without the establishment of new mechanisms to improve relationships at the field, headquarters and intergovernmental levels, and should attempt to focus on the following specific points:

(a) Implementation of the results of United Nations conferences;

(b) Collection and dissemination of data analysis and reports;

(c) Use of existing resources in the transition from emergency relief to rehabilitation and development;

(d) Provision of technical assistance operations in the field;

(e) Intergovernmental and Secretariat consultations;

(f) Policy dialogues.

19. The resolution calls for the review to determine how the respective institutions can improve their own efforts and effectively complement one another's efforts, particularly in the context of the priorities established by their respective member States. In doing this consideration should be given to make full ue of the new opportunities presented as a result of the reform and reorganization processes being carried out by the United Nations and the Bretton Woods institutions.